

Baja Broadband
Suite 500, Cullman Park Building
14120 Ballantyne Corporate Place
Charlotte, NC 28277

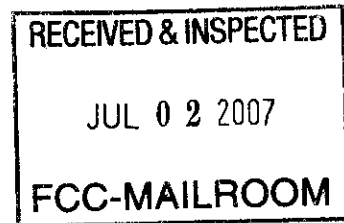
980.235.7600
fax 980.235.7601



DOCKET FILE COPY ORIGINAL

June 29, 2007

Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743



via FederalExpress

Re: CSR-7111-Z, CS Docket No. 97-80

**Baja Broadband Operating Company, LLC (f/k/a Orange
Broadband Operating Company, LLC) and Carolina
Broadband, LLC (collectively "Baja Broadband")**

**Request for Deferral of Enforcement of July 1, 2007 deadline in
47 C.F.R. § 76.1204(a)(1)**

Dear Sir or Madam:

On behalf of Baja Broadband we enclose an original and four copies of the company's Petition for Deferral of Enforcement of July 1, 2007 Deadline in 47 C.F.R. § 76.1204(a)(1). As Baja Broadband has already filed a Petition for Waiver in this docket along with Form 159 and the \$1,250 filing fee, there is no filing fee for this Petition for Deferral.

We also enclose a copy of this letter and the first page of the Petition for Deferral. Please date-stamp each page and return them in the enclosed FederalExpress envelope.

Please contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "W. A. Schuler".

William A. Schuler

No. of Copies rec'd
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0 & 4

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Charlotte, NC 28277

980.235.7600
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June 29, 2007

Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Attn: Monica Desai
Bureau Chief
Media Bureau

via FederalExpress

**Re: CSR-7111-Z, CS Docket No. 97-80
Baja Broadband Operating Company, LLC (f/k/a Orange
Broadband Operating Company, LLC) and Carolina Broadband,
LLC (collectively "Baja Broadband");
Request for Deferral of Enforcement of July 1, 2007 deadline in 47
C.F.R. § 76.1204(a)(1)**

Dear Ms. Desai:

Baja Broadband's December 27, 2006 *Request for Waiver of 47 C.F.R. § 76.1204(a)(1) and Request for Clarification ("Petition")* is pending in the above-referenced docket. In the meantime, Baja Broadband requests the following deferrals:

- A deferral to allow Baja Broadband to deploy the new Motorola DCT-6200 and DCT-6416 integrated set-top boxes that it has in inventory until Baja Broadband receives delivery of the CableCARD-compatible Motorola DCH6200 and DCH6416 set-top boxes that it Baja Broadband has ordered from the National Cable Television Cooperative.
- A deferral to allow Baja Broadband to deploy new Motorola DCT-700 and DCT-2500 set-top boxes until (i) its *Petition* is granted; or (ii) its *Petition* and any Petition for Reconsideration and Application for Review is denied and Baja Broadband receives replacement set-top boxes compliant with the Integration Ban in 47 C.F.R. § 76.1204(a)(1).

We organize this request as follows:

- Background
- Request for Deferrals
- Commitments
- Conclusion

Background

Baja Broadband is a small cable operator and new entrant into the MVPD arena. Baja Broadband began providing MVPD services in September 2006 after acquiring twenty-two neglected systems from Charter. The company now serves approximately 44,000 subscribers on these former Charter systems, all of whom are in lower-density markets in New Mexico, Utah, Nevada and Colorado.¹

Many of the Charter systems were antiquated and in relatively poor condition when acquired by Baja Broadband. Accordingly, Baja Broadband has committed \$75 million dollars of upgrades for these systems over the next three years in order to bring its smaller-market subscribers digital and HD video, VoIP and high-speed Internet services.² Despite encountering numerous unexpected technical difficulties due to the condition of some of the purchased systems, in a very short period of time, Baja Broadband has already upgraded its Utah systems and begun providing HD and DVR services in these systems. The company will begin providing HD and DVR services in Colorado and New Mexico in July 2007, and in Nevada shortly thereafter. Moreover, Baja Broadband will soon begin deploying fiber-to-the-home in new area developments in Utah, Nevada and New Mexico.³ In short, Baja Broadband is working hard and spending money⁴ to bring advanced services to formerly forgotten subscribers.

Petition for waiver of Integration Ban for low-cost set-top boxes. On December 27, 2006, Baja Broadband filed its *Petition* requesting a waiver of 47 C.F.R. § 76.1204(a)(1) in order to deploy the low-cost Motorola DCT-700 and DCT-2500 integrated set-top boxes following the Integration Ban.⁵ The requested waiver would allow Baja Broadband to increase its low digital penetration rate and transition to all-digital services. The Commission has not yet issued an order on Baja Broadband's *Petition*.

¹ See *Affidavit of William A. Schuler*, attached as Exhibit 1 at ¶ 2.

² *Id.* at ¶ 3.

³ *Id.* at ¶ 4.

⁴ In fact, Baja Broadband is spending so much money to upgrade these systems that the company has had negative net operating cash flow since it began operating in September 2006. See *Affidavit of William A. Schuler* at ¶ 5.

If the Commission so requests, Baja Broadband will promptly provide its cash flow statements under seal.

⁵ The *Petition* was put on public notice on February 12, 2007.

because it planned to launch HD and DVR services in its systems in Utah, Nevada and New Mexico in early 2007, and expected to deploy all these HD set-top boxes well prior to the July 1, 2007 integration ban. But due to programming issues and unexpected technical difficulties with the acquired cable systems, to date Baja Broadband has been able to launch its HD and DVR services only in Utah (and even that launch was delayed by three months). Baja Broadband now expects to launch its HD and DVR services in its systems in Colorado and New Mexico in July 2007, and in Nevada shortly thereafter.¹⁰

Baja Broadband is now deploying 100-200 of the Motorola DCT-6200 and DCT-6416 set-top boxes in Utah per month, but still has about 2,100 new boxes in inventory.¹¹

Once it became clear that technical and other difficulties would stall its HD and DVR launch, Baja Broadband placed an order for one hundred Motorola DCH6416 and fifty Motorola DCH6200 CableCARD-compatible set-top boxes with the National Cable Television Cooperative ("Compliant Set-Top Boxes") to deploy in place of the DCT-6200 and DCT-6416 following the Integration Ban.¹² When Baja Broadband receives the Compliant Set-Top Boxes, they will be sufficient to meet Baja Broadband's needs for two months after receipt.¹³

Unfortunately, the National Cable Television Cooperative has informed Baja Broadband that Motorola will not deliver the Compliant Set-Top Boxes by the July 1,

¹⁰ See *Affidavit of William A. Schuler* at ¶¶ 10-11.

¹¹ *Id.* at ¶ 12.

¹² *Id.* at ¶ 13. Baja Broadband's purchase order for the Compliant Set-Top Boxes, and the National Cable Television Cooperative's confirmation of the purchase order, are attached as Attachment 1 to the *Affidavit of William A. Schuler*. We include the specifications for the DCH6200 and DCH6416 in Exhibit 2.

¹³ *Id.* at ¶ 14. Baja Broadband's projections show that it will have enough subscriber demand to exhaust the Motorola DCT-6200 and DCT-6416 set-top boxes in inventory by the time the company receives the Compliant Set-Top Boxes. Baja Broadband's projections also show that demand will peak shortly after the company launches HD services in Colorado and New Mexico, which will exhaust the existing inventory of DCT-6200 and DCT-6416 set-top boxes. Demand will then ramp down significantly prior to the estimated delivery date for the Compliant Set-Top Boxes. This means that the 150 Compliant Set-Top Boxes ordered by Baja Broadband will be sufficient for the company's needs for at least two months after receipt. *Id.* at ¶ 14.

2007 Integration Ban.¹⁴ In fact, Motorola will not deliver the Compliant Set-Top Boxes for another 90 - 120 days.¹⁵ Based on its business plan and projections, Baja Broadband estimates that it will need to exhaust the new Motorola DCT-6200 and DCT-6416 set-top boxes that it currently has in inventory so that it can continue deploying HD and DVR services to its subscribers while it awaits delivery of the Compliant Set-Top Boxes.¹⁶

Request for Deferrals

For the reasons above, Baja Broadband requests the following deferrals of enforcement of the Integration Ban as provided for in the Commission's *GCI MO&O*:¹⁷

- A deferral to allow Baja Broadband to deploy the new Motorola DCT-6200 and DCT-6416 integrated set-top boxes in its inventory until Baja Broadband receives delivery of the Compliant Set-Top Boxes.
- A deferral to allow Baja Broadband to deploy Motorola DCT-700 and DCT-2500 set-top boxes until (i) its *Petition* is granted; or (ii) its *Petition* and any *Petition for Reconsideration* and *Application for Review* is denied and Baja Broadband receives set-top boxes compliant with the Integration Ban.

Commitments

Baja Broadband makes the following commitments:

- Baja Broadband will deploy the new Motorola DCT-6200 and DCT-6416 set-top boxes in its inventory only until it receives delivery of the Compliant Set-Top Boxes. Baja Broadband will order no additional Motorola DCT-6200 or DCT-6416 set-top boxes.¹⁸

¹⁴ *Id.* at ¶ 15.

¹⁵ *Id.* at ¶ 16.

¹⁶ *Id.* at ¶ 17.

¹⁷ *In the Matter of GCI Cable, Inc., Request for Waiver of Section 76.1204(a)(1) of the Commission's Rules, Memorandum Opinion and Order, CSR-7130-Z, CS Docket No. 97-80 (rel. May 4, 2007).*

¹⁸ *See Affidavit of William A. Schuler at ¶ 19.*

Further, if Baja Broadband's *Petition* (and any Petition for Reconsideration or Application for Review) is denied, Baja Broadband will:

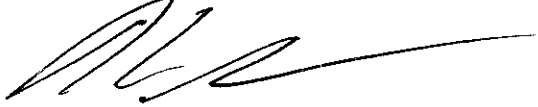
- Order only enough Motorola DCT-700 and DCT-2500 set-top boxes to meet its needs until the Motorola DCH100 and DCH200 compliant set-top boxes can be obtained;
- Immediately file with the Commission a signed affidavit that:
 - States how many Motorola DCT-700 and DCT-2500 boxes Baja Broadband has ordered and provides information to support those numbers;
 - States that Baja Broadband will have placed an order for a sufficient number of compliant boxes that will satisfy Baja Broadband's equipment needs for two months following receipt;
 - Specifies the number of compliant boxes ordered;
 - Provides information to support its statement that the number of compliant boxes ordered will be sufficient to meet its needs for two months following receipt;
 - States that the manufacturer has informed it that the order for compliant boxes will not be filled by July 1, 2007;
 - States the date by which the manufacturer estimates it will fill the order for compliant boxes;
 - Attaches all relevant documentation, including order forms and correspondence with its manufacturers.¹⁹

Conclusion. Baja Broadband has been operating for fewer than ten months. In that short timeframe, the company has been struggling every day to run a new business and to upgrade the neglected systems that it acquired so that it can provide advanced digital services in low-density markets. For this reason and the reasons above, Baja Broadband requests that the Commission grant the requested deferrals. To prohibit Baja Broadband from deploying Motorola DCT-700, DCT-2500, DCT-6200 and DCT-6416 set-top boxes until the Commission grants Baja Broadband's *Petition* or Baja Broadband receives the Compliant Set-Top Boxes would mean that Baja Broadband would be forced to cease deploying digital and HD services to new or upgrading subscribers on July 1, 2007. Such a result is highly undesirable and directly contrary to the Commission's mandate to increase the availability of advanced services to all Americans.²⁰

¹⁹ *Id.*

²⁰ See Pub.L. 104-104, Title VII, § 706, Feb. 8, 1996, 110 Stat. 153, as amended Pub.L. 107-110, § 1076(gg), Jan. 8, 2002, 115 Stat. 2093, reproduced in notes to 47 U.S.C. § 153(a):

Sincerely,



William A. Schuler

cc (via email): Monica Desai
Michelle Carey
John Norton
Brendan Murray
Andrew Long
Mike Jury
Nicole Paolini-Subramanya

The Commission...shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans...

...

The term 'advanced telecommunications capability' is defined, without regard to any transmission media or technology, as high-speed...broadband telecommunications capability....

EXHIBIT 1

AFFIDAVIT OF WILLIAM A. SCHULER

I, William A. Schuler, make this affidavit based upon personal knowledge and a review of records, and can testify if necessary as to the truth of the matters asserted:

1. I am CEO of Baja Broadband Operating Company, LLC (f/k/a Orange Broadband Operating Company, LLC) and Carolina Broadband, LLC (collectively "Baja Broadband").
2. Baja Broadband began providing MVPD services in September 2006 after acquiring twenty-two systems from Charter. The company now serves approximately 44,000 subscribers on these former Charter systems, all of whom are in lower-density markets in New Mexico, Utah, Nevada and Colorado.
3. Many of the Charter systems were antiquated and in relatively poor condition when purchased by Baja Broadband. Accordingly, Baja Broadband has committed \$75 million dollars of upgrades for these systems over the next three years in order to bring its smaller-market subscribers digital and HD video, VoIP and high-speed Internet services.
4. Baja Broadband has already upgraded its Utah systems and begun providing HD and DVR services in these systems. The company will begin providing HD and DVR services in Colorado and New Mexico in July 2007, and in Nevada shortly thereafter. Moreover, Baja Broadband will

soon begin deploying fiber-to-the-home in new area developments in Utah, Nevada and New Mexico.

5. Because Baja Broadband is spending so much money to upgrade its systems, the company has had negative net operating cash flow since it began operating in September 2006.
6. On December 27, 2006, Baja Broadband filed with the Commission a *Request for Waiver 47 C.F.R. § 76.1204(a)(1) and Request for Clarification*, which has been assigned to CS Docket No. 97-80, CSR-7111-Z (*Petition*).
7. If its *Petition* is not granted, Baja Broadband will need to order and deploy digital set-top boxes with separable security. Baja Broadband would then deploy the Motorola DCH100 and DCH200 set-top boxes, the lowest-cost digital set-top box models with separable security available on the market that are compatible with Baja Broadband's cable systems.
8. But until the Commission issues an order on Baja Broadband's *Petition*, the company cannot financially justify an order for the Motorola DCH100 and DCH200 set-top boxes. This is because any orders for the DCH100 and DCH200 set-top boxes are "firm orders." Motorola will not allow Baja Broadband to cancel any order that it submits for the DCH100 or DCH200. If Baja Broadband's *Petition* continues to pend, Baja Broadband may be forced to change its business plan and divert the funds that it was going to use for a digital transition to different upgrades. Baja Broadband would then have no near-term use for so many DCH100 or DCH200 set-top

boxes, but Motorola's limitations on cancellation would force Baja Broadband to expend significant capital to purchase the boxes anyway. Similarly, if Baja Broadband's *Petition* is granted, it will have no near-term use for the DCH100 or DCH200 set-top boxes. In short, Baja Broadband cannot order the DCH100 or DCH200 set-top boxes until it receives an order on its *Petition*.

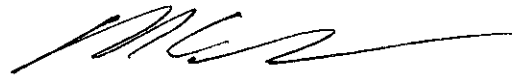
9. Even if Baja Broadband were to place an order with Motorola for the DCH100 and DCH 200 set-top boxes through the National Cable Television Cooperative today, the National Cable Television Cooperative has informed Baja Broadband that Motorola will not deliver the DCH100 and DCH200 set-top boxes for another 90–120 days.
10. As mentioned above, Baja Broadband is upgrading its systems to provide HD and DVR services. Accordingly, in January 2007, Baja Broadband ordered approximately 3,100 new Motorola DCT-6200 and DCT-6416 high definition set-top boxes. Baja Broadband ordered these HD set-top boxes because it planned to launch HD and DVR services in its systems in Utah, Nevada and New Mexico in early 2007, and expected to deploy all 3,100 of the HD set-top boxes well prior to the July 1, 2007 Integration Ban. But due to programming issues and unexpected technical difficulties with the acquired cable systems, to date Baja Broadband has been able to launch its HD and DVR services only in Utah (the Utah launch itself was delayed by three months due to the programming issues and technical difficulties).

11. Baja Broadband now expects to launch its HD and DVR services in its systems in Colorado and New Mexico in July 2007, and in Nevada shortly thereafter.
12. Baja Broadband is now deploying 100-200 of the Motorola DCT-6200 and DCT-6416 set-top boxes in Utah per month, but still has about 2,100 new boxes in inventory.
13. Once it became clear that technical and other difficulties would stall its HD and DVR launch past the date of the Integration Ban, Baja Broadband placed an order for one hundred Motorola DCH6416 and fifty Motorola DCH6200 CableCARD-compatible set-top boxes with the National Cable Television Cooperative ("Compliant Set-Top Boxes") to deploy in place of the DCT-6200 and DCT-6416 following the Integration Ban.
14. When Baja Broadband receives the Compliant Set-Top Boxes, they will be sufficient to meet Baja Broadband's needs for two months after receipt. This is because Baja Broadband's projections show that demand will peak shortly after the company launches HD services in Colorado and New Mexico. During this period, Baja Broadband expects to exhaust its inventory of the DCT-6200 and DCT-6416 set-top boxes. Baja Broadband projects that demand will then significantly ramp down prior to the estimated delivery date for the Compliant Set-Top Boxes. This means that the 150 Compliant Set-Top Boxes ordered by Baja Broadband will be sufficient for the company's needs for at least two months after receipt.

15. Unfortunately, the National Cable Television Cooperative has informed Baja Broadband that Motorola will not deliver the Compliant Set-Top Boxes by the July 1, 2007 Integration Ban.
16. In fact, the National Cable Television Cooperative has informed Baja Broadband that Motorola will not deliver the Compliant Set-Top Boxes for another 90 - 120 days.
17. Based on its business plan and projections, Baja Broadband estimates that it will need to exhaust the new Motorola DCT-6200 and DCT-6416 set-top boxes that it currently has in inventory if it is to continue deploying HD and DVR services to its subscribers while it awaits delivery of the Compliant Set-Top Boxes.
18. For the reasons above, Baja Broadband requests the following deferrals of enforcement of the Integration Ban:
 - A deferral to allow Baja Broadband to deploy the new Motorola DCT-6200 and DCT-6416 integrated set-top boxes in its inventory until Baja Broadband receives delivery of the Compliant Set-Top Boxes.
 - A deferral to allow Baja Broadband to deploy Motorola DCT-700 and DCT-2500 set-top boxes until (i) its *Petition* is granted; or (ii) its *Petition* and any Petition for Reconsideration and Application for Review is denied and Baja Broadband receives set-top boxes compliant with the Integration Ban.
19. Baja Broadband makes the following commitments:
 - Baja Broadband will deploy the new Motorola DCT-6200 and DCT-6416 set-top boxes in its inventory only until it receives delivery of the Compliant Set-Top Boxes. Baja Broadband will order no additional Motorola DCT-6200 or DCT-6416 set-top boxes.

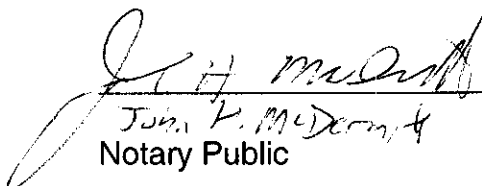
Further, if Baja Broadband's *Petition* (and any *Petition for Reconsideration* or *Application for Review*) is denied, Baja Broadband will:

- Order only enough Motorola DCT-700 and DCT-2500 set-top boxes to meet its needs until the Motorola DCH100 and DCH200 compliant set-top boxes can be obtained;
- Immediately file with the Commission a signed affidavit that:
 - States how many Motorola DCT-700 and DCT-2500 boxes Baja Broadband has ordered and provides information to support those numbers;
 - States that Baja Broadband will has placed an order for a sufficient number of compliant boxes that will satisfy Baja Broadband's equipment needs for two months following receipt;
 - Specifies the number of compliant boxes ordered;
 - Provides information to support its statement that the number of compliant boxes ordered will be sufficient to meet its needs for two months following receipt;
 - States that the manufacturer has informed it that the order for compliant boxes will not be filled by July 1, 2007;
 - States the date by which the manufacturer estimates it will fill the order for compliant boxes;
 - Attaches all relevant documentation, including order forms and correspondence with its manufacturers.

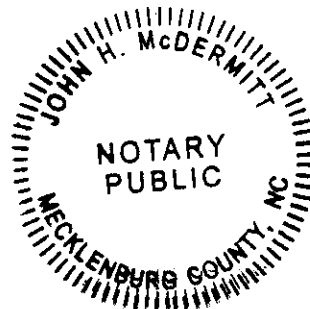


William A. Schuler, CEO
Orange Broadband Operating
Company, LLC and Carolina
Broadband, LLC

Subscribed and sworn to before me this 29th day of June, 2007.



John P. McDermott
Notary Public



ATTACHMENT 1

PURCHASE ORDER FOR MOTOROLA DCH6200 AND DCH6416 SET-TOP BOXES, AND CONFIRMATION OF PURCHASE ORDER FROM NATIONAL CABLE TELEVISION COOPERATIVE

Shipped From

National Cable TV Co-op
P O Box 414826
Kansas City MO 64141

Ship To Baja Broadband St George warehouse
1210 W 1250 N
St. George UT 84770

Contract Num	Branch/Plant
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High-Definition Cable Receiver DCT6200

All Packed and Ready to Go.

Motorola's High-Definition Cable Receiver delivers analog and digital cable, High-Definition (HD) programming *and* more.

This set-top box is packed with options. It offers the diversity of analog cable channels, the interactive features and commercial-free music of digital cable, plus the unbelievable picture and movie-quality sound of HD programming. Now that's advanced home entertainment.

BENEFITS:

- Built with an HD decoder for an incredibly crisp picture and Dolby® Digital 5.1 movie-quality audio
- Compatible with standard and HD televisions
- Delivers both analog and digital cable
- Supports hundreds of local and cable channels including sports, news, movies and more
- Offers digital cable's advanced services, such as Video on Demand, Pay Per View, interactive program guides and commercial-free digital music channels*
- User-friendly universal remote control with batteries are included
- 24 x 7 technical support available over the Web or by phone

FEATURES:

- High-Definition (HD), digital cable receiver
- Integrated High-Definition decoder with YPbPr component output
- DVI and dual 1394 (DTV) digital outputs
- Built-in MPEG analog encoder
- PCM and Dolby® Digital 5.1 digital audio output; Dolby® ProLogic® II audio capability
- Full-feature access from front panel
- LED display with IR receiver for remote or/and keyboard
- Universal remote (DRC450)

STANDARD INTERFACES:

- YPbPr component output
- DVI and IEEE-1394 (DTV) digital outputs
- Optical and coaxial SPDIF/Dolby Digital connectors
- S-Video output
- RF and baseband output (Video, L/R Audio) outputs
- Front and rear panel L/R audio and video inputs
- Three USB connectors (one on front panel)*
- Smart Card Interface Connector (E-Commerce)*

WHAT'S INCLUDED:

- High-Definition Cable Receiver
- Coaxial cable
- Component video cable
- L/R baseband audio cable
- Power cord
- Quick Start Guide
- User manual
- Universal remote control with batteries

SYSTEM REQUIREMENTS:

- Check with your local cable provider for HDTV service prior to purchase to verify they are using Motorola network equipment
- You will need an HD-ready TV to enjoy the full benefits of HDTV viewing

PICTURE PERFECT™ MOTO

Continued on back





High-Definition Cable Receiver DCT6200

TECHNICAL SPECIFICATIONS

Dolby® Digital Out	1 (Coaxial), 1 (Optical)
DVI Out	1
Hi-Res Component, Video Out (Y, Pb, Pr)	1
S-Video Out	1
A/V Out	1
RF In	1
RF Out	1
IEEE-1394 Out	2
A/V In	2
Ethernet (10/100Base-T)	1
USB 1.1	3

Cabinet Dimensions	
Width x Height x Depth	17.1" x 12.75" x 2.75"
Weight	9.5 lbs.
Dimensions with Package	
Width x Height x Depth	20.25" x 16.375" x 6.25"
Weight	14 lbs.
UPC Code	6 12572 09800 4
Power Consumption	35 Watts (Maximum)

L/R Baseband Audio Cable	1
Component Video Cable	1
Coax RF Cable	1
Remote Control	Yes (Universal)
Batteries	Yes
User Manual	Yes
Quick Set Up Guide	Yes

Finish	Silver
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Warranty: Parts/Labor	IRD: 1 Year/90 Days
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TV Aspect Ratio Selection	4:3, 16:9
Component Out/DVI Out	1080i, 720p, 480p, 480i
Composite Out	480i (Always)
S-Video	480i (Always)

HDTV	Can Up-Convert/Down-Convert to 1080i, 720p, 480i/p Formats
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Dolby® Digital	Yes
Dolby® ProLogic® Downmix	Yes

Sources	NTSC, 64 QAM, 256 QAM)
Auto Programming	Yes
Channel Labels	Yes
Favorite Channel Selections	Yes
Closed Caption (Digital)	Yes
NTSC Outputs for Analog Hook Up	Yes
Switched AC Power Outlet	Yes

Some features are available depending on program guide.

Dimensions and weights are approximate. Design and specifications subject to change without notice.

*Cable, high-definition and interactive services such as Video on Demand and interactive program guides, are services that may require a subscription from your local cable provider. Services may vary by provider and may not be available in all areas. Features such as a smart card interface, USB is a feature added for future use by your cable provider and may not be activated at time of purchase. These features were designed for future use and applications that your local cable provider may make available to you in the future. Contact your service provider for more information.

**To view our full line of Home Entertainment Products,
visit our Web site at www.motorola.com/broadband/consumers.**



DCT6400 Series

Dual Tuner DVR High-Definition Set-tops



The Motorola DCT6400 Series set-top combines the extraordinary features of digital cable – the seemingly endless programming options, interactive program guides (IPG), Video on Demand (VOD), and commercial-free, CD quality music – with dual tuner digital video recording (DVR) and the incredible picture quality and sound of your high-definition television (HDTV). The DCT6400 Series set-top offers advanced capabilities including a high-end microprocessor, expanded memory, enhanced graphics, and a full range of audio/visual inputs/outputs.

The DCT6400 Series set-top includes a direct digital connection to consumer audio and video devices through IEEE 1394-DTV and DVI interfaces. The DCT6412 set-top is fully equipped with an integrated 120 GB hard drive for hours of DVR functionality, including the ability to:

- Record hours of standard digital TV and high-definition TV content
- Maintain a personal library of recorded programming, accessed using the interactive program guide (IPG)

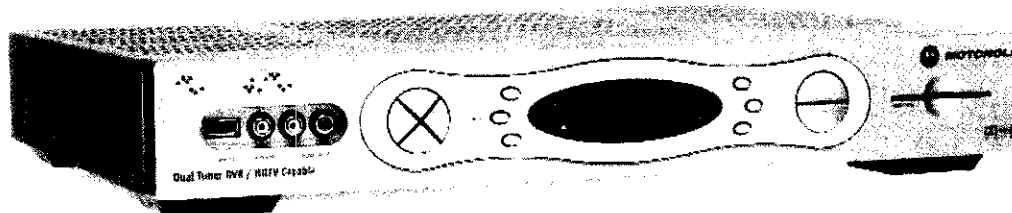
Simultaneously:

- Watch two programs and easily switch between them using the remote control
- Record one program while viewing another program
- Record two programs at the same time
- Watch a program recorded on your DCT6400 set-top while recording two other programs at the same time

The DCT6400 Series dual tuner combines your high-definition television with powerful interactive and entertainment services.

The DCT6400 Series set-top:

- Initiates, authorizes, and facilitates the purchase of on demand programming services
- Decodes high-definition video
- Outputs HDTV in multiple video modes
- Enables high-quality video and surround-sound audio
- Supports multi-size, factory-installed hard disk drives (HDD)
- Provides dual tuner DVR functionality to pause and time shift live video
- Includes a built in DOCSIS cable modem for IP services
- Digital outputs: IEEE 1394 / DVI



DESCRIPTION

- Advanced digital set-top that supports HDTV, Dolby 5.1, and DVR services
- Dual video tuners for watch-and-record DVR services
- Digital decode of HD video / audio content
- Robust CPU, memory footprint, and 3D graphics to run IPG, VOD, advanced applications, and middleware
- Built in DOCSIS modem for high speed interactivity
- Full range of interfaces including YPbPr, DVI, 1394, USB, Ethernet, SPDIF, and SmartCard

FEATURES

Standard Features

- MPEG-2 digital video processor
- Integrated high-definition decoder with YPbPr component output
- Built-in dual MPEG analog encoder
- PCM, AC-3, Dolby 5.1 Prologic Digital audio capability
- ITU standard 64/256 QAM/FEC/enhanced adaptive equalizer
- DOCSIS 1.0 / 1.1 capable integrated cable modem
- Three 54-860 MHz tuners (two video, one data)
- Frequency agile 2.048 Mbps out-of-band data receiver
- 32 bit, 2-D / 3-D graphics
- MIPS, RISC-based processor
- Analog/digital video scaling (Picture in Graphics)
- 16 MB Flash, 128 MB DRAM standard unified memory
- Clear analog channel processor with BTSC decoder
- DES-based encryption/DCII access control
- Digital diagnostics
- Macrovision® copy protection
- Full feature access from front panel

Standard Interfaces

- DVI and 1394 (DTV) digital interfaces
- Optical and electrical SPDIF / Dolby Digital connectors
- S-Video output
- RF and baseband output (Video, L/R Audio) ports
- Front and rear panel L/R audio and video inputs
- Two USB connectors (one on front panel)
- 10/100 Base-T Ethernet port (RJ45 Connector)
- Smartcard interface connector (e-commerce)
- TVPASS™ renewable security connector
- IR blaster port
- 4 digit, 7 segment LED display with IR receiver for remote or/and keyboard
- Switched Accessory Outlet

General Specifications

Dimensions	17.13 W x 12.75 H x 2.75 D
Weight	11.5 lbs

Accessories

DRC800 universal remote control (sold separately)

Specifications are subject to change without notice.

MGBI



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If the Commission does not grant Baja Broadband's *Petition*, the company will be required to expend significant capital to purchase replacement set-top boxes with separable security. In such event, Baja Broadband intends to deploy the lowest-cost compliant set-top box models available on the market – the Motorola DCH100 and DCH200.⁶ But even if Baja Broadband were to place an order with Motorola through the National Cable Television Cooperative today, the National Cable Television Cooperative has informed Baja Broadband that Motorola would not deliver these compliant boxes for another 90 -120 days.⁷

Further, until the Commission issues an order on Baja Broadband's *Petition*, the company cannot financially justify an order for the Motorola DCH100 and DCH200 set-top boxes. This is because any orders for the DCH100 and DCH200 set-top boxes are "firm orders." Motorola will not allow Baja Broadband to cancel any order that it submits for the DCH100 or DCH200. If Baja Broadband's *Petition* continues to pend, Baja Broadband may be forced to change its business plan and divert the funds that it was going to use for a digital transition to different upgrades. Baja Broadband would then have no near-term use for so many DCH100 or DCH200 set-top boxes, but Motorola's limitations on cancellation would force Baja Broadband to expend significant capital to purchase the boxes anyway. Similarly, if Baja Broadband's *Petition* is granted, it will have no near-term use for the DCH100 or DCH200 set-top boxes. In short, Baja Broadband cannot order the DCH100 or DCH200 set-top boxes until it receives an order on its *Petition*.⁸

High-definition set-top boxes. As described above, Baja Broadband is upgrading its systems to provide HD and DVR services. Accordingly, in January 2007, Baja Broadband ordered approximately 3,100 new Motorola DCT-6200 and DCT-6416 set-top boxes.⁹ Baja Broadband ordered these HD set-top boxes

⁶ See Affidavit of William A. Schuler at ¶ 7.

As required by Section 76.1204 of the Commission's rules, the Motorola DCH100 and DCH200 use a CableCARD to provide conditional access. We attach the specifications for these set-top boxes as Exhibit 2.

⁷ See Affidavit of William A. Schuler at ¶ 9.

⁸ *Id.* at ¶ 8.

⁹ *Id.* at ¶ 10.

Both the DCT-6200 and DCT-6416 include HD functionality. The DCT-6416 also includes a DVR. Baja Broadband did not request a waiver of the Integration Ban for these HD set-top boxes. We include the specifications for the Motorola DCT-6200 and DCT-6400 series boxes (which includes the DCT-6416) in Exhibit 2.